

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 DODE-00 TRSE-00 OMB-01 PM-04

NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00 AID-05

IGA-02 L-03 /062 W

-----170353Z 095083 /15

R 161455Z JUN 77

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 7792

LIMITED OFFICIAL USE SAN JOSE 2778

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJECT: LATIN AMERICAN MILITARY MISSION DEBT ARREARAGES

REF: STATE 123903

1. EMBASSY CONCURS WITH DEPARTMENTS OF STATE AND DEFENSE VIEW THAT OUR EFFORTS TO RESOLVE STILL OUTSTANDING, ALTHOUGH MINISCULE, COSTA RICAN MILITARY MISSION DEBT SHOULD BE MADE IN LOW KEY FASHION, AND AT WORKING LEVEL. FOLLOWING REVIEW OF REFERENCE MATERIAL TRANSMITTED BY DEPARTMENT RE THIS SUBJECT, AS WELL AS POST'S OWN RECORDS, EMBASSY BELIEVES THAT SOLUTION EXISTS TO ENABLE US EASILY TO CLEAR BOOKS ON COSTA RICA.

2. FOLLOWING TERMINATION OF US MILGROUP IN COSTA RICA, ALL COMPENSATION UNDER MILGROUP AGREEMENT, OF COURSE, ENDED. ACCORDING TO OUR RECORDS, ACCUMULATED COSTA RICAN DEBT AS OF DECEMBER 31, 1975 PER THE AGREEMENT WAS \$11,996.80 (AGREEMENT LAPSED IN DECEMBER 10, 1975.)

3. ALTHOUGH NOT OBLIGED TO DO SO, HOWEVER, GOCR HAS CONTINUED TO PROVIDE OFFICE OF DEFENSE COOPERATION  
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WITH FACILITIES AND SERVICES THAT THEY HAD PROVIDED UNDER AGREEMENT. SUCH AID IN KIND (AIK) FROM JANUARY 1, 1976 TO MAY 30, 1977 TOTALED \$18,001.76 AND CONSISTED OF OFFICE AND WAREHOUSE SPACE, TELEPHONE, ELECTRICITY, WATER, AND SALARIES OF TWO CIVIL GUARD MEMBERS--ONE DRIVER AND ONE WAREHOUSEMEN. SINCE MAY 1, 1977, ODC HAS BEEN HOUSED IN EMBASSY. HOWEVER, GOCR CONTINUES TO PROVIDE \$709.02 PER

MONTH OF AID--ALL THE FORMER MINUS THE OFFICE SPACE. IT  
THUS APPEARS THAT GOCR HAS PROVIDED TO U.S. MORE IN AIK  
(\$18,001.76 AND GROWING, ALL PER THE EXPIRED MILITARY  
MISSION AGREEMENT) THAN USG CAN CLAIM IN ARREARAGES  
(\$11,996.80 WHEN AGREEMENT LAPSED).

4. WITH EXCEPTION OF OFFICE MOVE, WHICH WAS GENERATED  
BY NEED TO EXPAND OFFICE SPACE OF PRESIDENT'S STAFF,  
GOCR HAS MADE NO EFFORT TO CUT BACK ON PROVISION OF  
AIK. IN FACT, ALL INDICATIONS ARE THAT MINISTRY OF  
PUBLIC SECURITY, UNDER WHOSE AUSPICES THIS SUPPORT IS  
RENDERED, IS ANXIOUS TO CONTINUE TO PROVIDE IT--AS  
EXPRESSION OF ITS APPRECIATION FOR ODC PRESENCE.

5. IF COSTA RICAN OBLIGATIONS UNDER MILITARY MISSION  
AGREEMENT ARE CONSIDERED TO HAVE RUN UNTIL TERMINATION  
OF MILGRP ON SEPTEMBER 30, 1976, THEN COSTA RICA CON-  
TINUES TO BE IN ARREARS. THEIR ACCUMULATED OBLIGATION  
ON SEPTEMBER 30, 1976 WAS \$13,496.74. AIK FROM  
OCTOBER 1, 1976 TO MAY 30, 1977 TOTALED \$8,244.60.  
ACCORDING TO OUR CALCULATIONS, IT WOULD TAKE ABOUT  
7-1/2 MORE MONTHS OF AIK AT PRESENT RATE TO BALANCE  
OUT THE COMPENSATION ARREARAGE.

6. IN VIEW OF (A) EXCELLENT STATE OF US-COSTA RICAN  
RELATIONS, (B) FACT THAT GOCR HAS BEEN PROVIDING (AND  
CONTINUES TO PROVIDE) AIK LONG AFTER THE TERMINATION OF  
THEIR LEGAL OBLIGATION TO DO SO, EMBASSY STRONGLY OF  
VIEW THAT IT IS IN USG INTEREST EITHER:  
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(1) TO CONSIDER DEBT LIQUIDATED--IF  
DECEMBER 10, 1975 LAPSE OF AGREEMENT  
DATE IS CONSIDERED CORRECT ONE TO END  
ALL OBLIGATIONS.

(2) TO CONTINUE TO ALLOW AIK TO BE CREDITED  
TO COSTA RICAN ACCOUNT AND THUS PERMIT  
DEBT TO BE LIQUIDATED IN SEVEN MORE  
MONTHS--IF SEPTEMBER 30, 1976 DATE IS  
BASIS FOR CALCULATION OF TERMINATION OF ALL OBLIGATIONS.

7. SUCH PROPOSED LOW KEY TREATMENT OF THE ISSUE PERMITS  
IT TO DISAPPEAR QUIETLY, AND PREVENTS IT FROM BECOMING AN  
UNNECESSARY IRRITANT. WHICHEVER OPTION IS CHOSEN TO CON-  
SIDER ACCOUNT BALANCED, EMBASSY PROPOSES TO INFORM GOCR BY  
NOTE AT APPROPRIATE TIME THAT PAST DEBT CONTRACTED UNDER  
MILITARY MISSION AGREEMENT HAS BEEN LIQUIDATED.

8. REQUEST DEPARTMEFT AND DOD CONCURRENCE FOR THIS  
COURSE OF ACTION, AND ADVICE AS TO WHICH BEGINNING DATE  
SHOULD BE USED FOR CALCULATION OF ARREARAGES AND  
REPAYMENT.  
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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY MISSIONS, DEBT REPAYMENTS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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